

REFERENCE TITLE: **municipal powers; technical correction**

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2324

Introduced by
Representative Nelson

AN ACT

AMENDING SECTION 9-500.06, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL POWERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 9-500.06, Arizona Revised Statutes, is amended to
3 read:
4 9-500.06. Hospitality industry; discrimination prohibited; use
5 of tax proceeds; exemption; definitions
6 A. A city or town shall not discriminate against hospitality industry
7 businesses in the collection of fees. For purposes of this subsection:
8 1. "Discriminate" means any increase of fees on hospitality industry
9 businesses by any dollar amount on or after April 1, 1990 without a
10 corresponding equal dollar amount of increase in the privilege license fees
11 or other fees imposed on all other businesses in the city or town. ~~For~~
12 ~~purposes of this subsection~~
13 2. "Fees on hospitality industry businesses" means annual liquor
14 license taxes or fees or annual renewal or reissuance fees for municipal
15 business privilege licenses, however denominated.
16 B. On or after April 1, 1990, if a city or town establishes a
17 discriminatory transaction privilege tax or increases its existing
18 discriminatory transaction privilege tax on hospitality industry businesses
19 greater than any increase imposed on other types of businesses in the city or
20 town, the proceeds of the established discriminatory transaction privilege
21 tax, except as provided in subsection D, and the proceeds of any increase
22 above the existing discriminatory transaction privilege tax shall be used
23 exclusively by the city or town for the promotion of tourism. For the
24 purposes of this section a tax which is in effect on April 1, 1990 and is
25 subsequently renewed by a majority of qualified electors voting at an
26 election to approve the renewal is not considered a tax increase.
27 C. For purposes of subsection B, expenditures by a city or town for
28 the promotion of tourism include:
29 1. Direct expenditures by the city or town to promote tourism,
30 including but not limited to sporting events or cultural exhibits.
31 2. Contracts between the city or town and nonprofit organizations or
32 associations for the promotion of tourism by the nonprofit organization or
33 association.
34 3. Expenditures by the city or town to develop, improve or operate
35 tourism related attractions or facilities or to assist in the planning and
36 promotion of such attractions and facilities.
37 D. If a city or town has not imposed a discriminatory transaction
38 privilege tax up to a two per cent tax level on hospitality industry
39 businesses as of April 1, 1990 and thereafter imposes or increases such a
40 discriminatory transaction privilege tax, the first two percentage rate
41 portion of the discriminatory transaction privilege tax is not subject to the
42 provisions of subsection B.
43 E. The provisions of this section do not apply to cities or towns with
44 populations of one hundred thousand persons or less according to the most
45 recent United States decennial census.

1 F. For purposes of this section:

2 1. "Discriminatory transaction privilege tax" means any transaction
3 privilege tax rate imposed by a city or town on hospitality industry
4 businesses which is above the transaction privilege tax rate imposed by a
5 city or town equally on all businesses subject to a transaction privilege
6 tax.

7 2. "Hospitality industry businesses" means:

8 (a) A restaurant, bar, hotel, motel, liquor store, grocery store,
9 convenience store or recreational vehicle park.

10 (b) A motor vehicle rental agency in a county stadium district which
11 has imposed the car rental surcharge pursuant to section 48-4234.